

EXTENSIONS OF REMARKS

INTRODUCTION OF THE NEW MARKETS TAX CREDIT ACT OF 1999

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mr. RANGEL. Mr. Speaker, today along with approximately 20 other Members, I am introducing legislation entitled the "New Markets Tax Credit Act of 1999." The legislation is designed to spur \$6 billion of private sector equity investments in businesses located in low- and moderate-income rural and urban communities.

We should all be pleased with the economic growth that this country is experiencing. However, our current economic boom is not being enjoyed by all areas of the country. Many urban and rural low-income communities continue to have severe economic problems. Businesses in those areas often do not have access to the capital they need to grow and provide job opportunities for the residents of those areas. The residents of those areas lack access to basic businesses, such as grocery stores and other retail facilities, that all the rest of us take for granted.

Unfortunately, business investment capital tends to flow to those areas of our country that already are experiencing rapid economic growth. We need to develop policies to direct some of that business capital to low-income communities. I believe that targeted tax credits can play an important role in this area by enhancing the economic return to the investor. The low-income housing tax credit is a very good example of how targeted tax credits can direct capital to needed investments.

I am very pleased that the President's budget contains several proposals to promote efforts to attract business capital to low-income areas. The bill that we are introducing today is the tax portion of the President's proposal. He also has made other proposals designed to promote growth in emerging markets in this country, just as this Nation, through entities like the Overseas Private Investment Corporation, helps to promote growth in emerging markets overseas.

The President's budget proposals this year are a continuation of the efforts of this administration in community development. I am very pleased that we have been able to enact several important community development tax initiatives with the President's support. The Empowerment Zone and Enterprise Community tax incentives and the brownfields tax incentives are important tools in assisting community development. I believe that the bill we are introducing today is another important tool needed to expand economic opportunity to all areas of this country. I look forward to working with the President and Members of this House and the Senate in enacting this important initiative.

Following is a brief description of the bill:

DESCRIPTION OF THE NEW MARKETS TAX CREDIT PROPOSAL

The bill provides an annual nonrefundable credit to taxpayers who make qualified investments in selected community development entities. The amount of the annual credit is 6 percent of the amount of the investment and it is allowed for the taxable year in which the investment is made and the succeeding four taxable years. The credit is allowed to the taxpayer who made the original investment and to subsequent purchasers.

An investment in a community development entity would be eligible for the credit only if the Secretary of the Treasury certifies that the entity is a qualified community development entity and only if the entity uses the money it receives to make investments in active businesses in low-income communities. Low-income communities are communities with poverty rates of at least 20 percent or with median family income which does not exceed 80 percent of the statewide median family income (or in the case of urban areas, 80 percent of the greater of the metropolitan area median income or statewide median family income).

The Secretary of the Treasury would certify entities as being qualified community development entities if their primary mission is serving or providing investment capital to low-income communities and they maintain accountability to residents of the communities in which they make their investments.

The amount of investments eligible for the credit is limited to \$1.2 billion for each of the years 2000 through 2004. The Secretary would allocate that limitation among the qualified community development entities.

ON THE 75TH ANNIVERSARY OF CLARENDON HILLS, ILLINOIS

HON. JUDY BIGGERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 5, 1999

Mrs. BIGGERT. Mr. Speaker, I rise today to pay tribute to the community of Clarendon Hills, Illinois, as it commemorates its 75th anniversary. Clarendon Hills has accomplished much in the past 75 years, creating a congenial community that exemplifies the finest traditions and values of the American people. I, for one, take great pride in the legacy of Clarendon Hills and wish to share some of its history with you today.

The legacy of Clarendon Hills extends far beyond its 75-year history, and as all those who live in close-knit communities can appreciate, the strongest roots always run deepest. This town of nearly 7,000 originated from the far-sighted endeavors of ambitious men and women as early as the 1850's, seventy years before its incorporation as a village. Clarendon Hills emerged in progressive times, and the echoes of those times resonate today within the community.

Just as every New England town is centered around a church, every midwestern town

is born of the railroad. As the railroad moved west of Chicago, men and women established Clarendon Hills as their home. They were people on the move, people looking to move westward, to create, and to progress.

Clarendon Hills was not simply "settled." It was nurtured and molded into the town we know today, one of the towns I am honored to represent in Congress as a Representative from the 13th District of Illinois. The earliest inhabitants did not wish merely to live on the land we now know as Clarendon Hills. They made the land their own not by tilling fields and cutting trees—though farming and lumber were two of Clarendon Hills' industries. Instead, this town's earliest residents fostered the sense of community we enjoy today by sowing fields and planting trees. Henry Middaugh, who arrived in 1854, did both. As streets were designed to wind with the contours of the land, Middaugh planted 11 miles of trees, which now support children's swings, shade our streets, and grace our homes.

Middaugh was also unintentionally responsible for the origin of Clarendon Hills Daisy Days. He ordered fine grass seed for his field and got daisies instead. Middaugh no doubt initially was disappointed, but, true to the spirit of those pioneers, he turned adversity into a blessing.

Clarendon Hills is a community that turns peat bogs into parklands—such as Prospect Park. It is a community that retains its small, locally owned businesses—with mom and pop stores as well as chain stores. It is a community that celebrates its distinctiveness together year-round—be it during the festive Christmas Walk in December or the carefree Daisy Days in July.

Those who call Clarendon Hills "home" are at once blessed with the atmosphere and fellowship of a small town and the vitality, creativity, and enthusiasm of a major city. It is the home of young and older families who live together, work together, and volunteer together. The best example of its public spirit comes at the Christmastime Lumanaria, where over 20,000 candles are lit, producing such brilliance that they are clearly seen from airplanes flying overhead. People drive from distant communities to see this show of lights. The celebration, however, is more than just a display of civic pride. The town raises over \$200,000 for the Chicago Infant Welfare Society through the sale of the candles.

And through it all, the Burlington Northern Railroad rushes by daily; and Henry Middaugh's mansion still overlooks the meandering shaded streets. Its been said that Middaugh would stand on his cupola and look out over the town. Were he to do so today, there is no doubt in my mind that he would be proud of what he would see.

As we observe the 75th anniversary of Clarendon Hills, let us remember where it began. Let us remember the many challenges and successes that formed its history. And finally, let us remember the progress of Clarendon Hills—its collective history and its

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